

August 20, 1996

AGAR ADVISORY

**PROCUREMENT AND PROPERTY MANAGEMENT
PROCUREMENT POLICY DIVISION
AGAR ADVISORY NO. 3**

INTRODUCTION: This Agriculture Acquisition Regulation (AGAR) Advisory is issued to alert USDA contracting offices that the threshold for the use of simplified acquisition procedures is increasing effective August 26. FAC 90-40 implements the Federal Acquisition Reform Act of 1996 by removing the requirement for interim FACNET certification before a contracting office may use simplified acquisition procedures for contract actions up to the \$100,000 simplified acquisition threshold.

If you have questions about this advisory, please contact Joseph Daragan. by e-mail at JDARAGAN@USDA.GOV, telephone at (202) 720-5729, or fax at (202) 720-8972.

SPECIFIC ISSUES:

- ▶ Effective August 26, simplified acquisition procedures may be used to acquire supplies and services up to \$100,000.
- ▶ For non-FACNET acquisitions over \$25,000, a synopsis for 15 days is still required. Synopses of proposed simplified acquisitions up to \$100,000 may be furnished for publication in the CBD before August 26. However, contracting officers should not

publish combined synopses/solicitations for acquisitions between \$50,000 and \$100,000 until August 26.

- ▶ Parts 13 and 16 have been amended to allow the use of any contract type in Part 16 for simplified acquisitions without Departmental authorization. Purchase orders may be issued on other than a fixed-price basis, although FAR 13.501 states that orders "generally are issued on a fixed-price basis."
- ▶ The increased threshold is effective through December 31, 1999. On January 1, 2000, the threshold for contracting offices without full FACNET capability at that time will revert to \$50,000.

EXPIRATION DATE: This advisory expires 120 calendar days from the date of issuance.

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